

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE APPLICATION OF
LAKE HOLDING & FINANCE S.A.,

REQUEST FOR DISCOVERY
PURSUANT TO 28 U.S.C. § 1782

Civil Action No. 20-Misc.

**DECLARATION OF VLADIMIR VASILYEVICH MELNICHENKO IN SUPPORT
OF AN APPLICATION FOR DISCOVERY PURSUANT TO 28 U.S.C. s 1782**

I, VLADIMIR VASILYEVICH MELNICHENKO, respectfully submit this declaration in support of Lake Holding's application for discovery pursuant to 28 U.S.C. § 1782.

1. I am the sole beneficial owner of Lake Holding & Finance S.A. ("**Lake Holding**"), the Applicant herein, a company incorporated in the British Virgin Islands (the "**BVI**") and I am duly authorized to make this declaration on behalf of Lake Holding. The facts and matters herein are, save where otherwise stated, within my own knowledge and derived from:

(a) Information and documents provided by Mikhail Borisovich Belyak ("**Mr. Belyak**") and Mr. Igor Garrievich Rempel ("**Mr. Rempel**") or others on their behalf and various persons on behalf of BTR Build To Rent Group Limited ("**BTR**" – a company incorporated in Cyprus).

(b) Evidence discovered in Cyprus, Russia, USA, France, Monaco, the BVI, Canada and Belize.

(c) Discussions with my in-house legal advisor, Oleg Chudnov, and my external legal advisors in Russia and elsewhere. For the avoidance of doubt, no privilege is waived in respect of such discussions.

2. I also refer to and incorporate by reference the contents of the declaration of George Benaour ("**Mr. Benaour**") made on December 1, 2020. I call this the "Benaour Decl." I shall

also refer to, and incorporate, Mr Benaour's declarations made on October 20, 2020 and November 29, 2020 recently filed in Florida in Case No. 2019-35660-CA-1 and which I shall call the "Benaour MTD Decl." and the "Benaour Fraud Decl." (exhibited to the Benaour Decl.). Finally, I refer to and incorporate by reference the contents of my declaration in Case No. 2019-35660-CA-1 (the "Melnichenko MTD Decl." which is exhibited to this declaration as **Exhibit 1**)¹.

3. Lake Holding has brought proceedings in Cyprus against BTR, Mr. Belyak and Mr. Rempel to enforce Russian Judgments against BTR to recover principal indebtedness and against the two individuals as guarantors of the majority of BTR's indebtedness. The Russian proceedings are described in an opinion letter from Lake Holding's lawyers, Yustina, dated February 29, 2020. *See Exhibit 2* hereto. *See also* Benaour MTD Decl. ¶¶ 3 to 19 for descriptions of the history and the proceedings. In various proceedings outside Russia, Lake Holding seeks the recognition and enforcement of the Russian Judgments which it has obtained (which are final and conclusive) and various other forms of relief which are sought against entities connected with BTR, Mr. Belyak and Mr. Rempel and relatives of those two guarantors including Mr. Belyak's daughter, Anastasia Belyak ("Anastasia"), and Mr. Rempel's father, Garri Rempel ("Garri"). *See* Benaour MTD Decl. ¶ 20.

4. I attach as **Exhibit 3** true English translations of three *ex parte* orders made in March 2020 by the District Court of Nicosia in the Cyprus BTR action and in separate but almost identical proceedings in Cyprus against (a) Mr. Belyak, Anastasia and related companies and (b) Mr. Rempel, Garri and related companies².

5. The essential facts which were placed before the Cyprus Court are summarised in ¶¶

¹ For the purposes of brevity, the exhibits and orders attached to the two Benaour Decl. and my MTD declarations are not being attached to this application but shall be provided upon request.

² For brevity, the Greek originals have not been included but these can be made available if required.

11 to 52 of the Melnichenko MTD Declaration (*see* **Exh. 1** hereto). The oppositions so far filed in Cyprus raise all manner of defences, and Lake Holding maintains that none of these is valid. In particular, it is said that Mr. Belyak and Mr. Rempel have nothing to do with any of BTR or the other Cyprus company respondents and (by implication if not by express statement) any of the companies in the BVI or other jurisdictions such as Belize (Central America) which have been identified in Lake Holding's affidavit evidence or in the exhibits thereto. This is untrue. The oppositions also challenge the amounts of the debts but these are confirmed by the Russian Federal Bailiff Service (the "**RFBS**") in a letter dated August 5, 2020. *See* **Exhibit 4** hereto.

6. As appears from the Benaour MTD Decl., the Benaour Fraud Decl. and the Melnichenko MTD Decl., Lake Holding has brought proceedings to enforce the Russian Judgments in Florida against Mr. Belyak and, subject to appeal but with no stay pending appeal, it now has a Florida judgment against Mr. Belyak in the sum of \$36,140,573.95 dated October 6, 2020.

7. Mr. Belyak and Mr. Rempel each own and control many entities and physical persons and they boasted of this in discussions with me from time to time, especially to encourage me to make the loan advances which Lake Holding is seeking to recover. Their manner of separate ownership and control through other entities and physical persons seems to have been employed well before the defaults on the loan and guarantee obligations which took place in September 2014.

8. In an agreement with them on February 18, 2010 (*see* Melnichenko MTD Decl. ¶ 15 – **Exh. 1** hereto) BTR, is defined in paragraph 1 but the next definition is of the "BTR Group" and against that term this is written:

"means I.G. Rempel, M.B. Belyak, as well as individuals and legal entities controlled by them"

This very accurately describes their *modus operandi*; they tried to avoid apparent personal ownership of anything.

9. After the defaults in September 2014, both Mr. Belyak and Mr. Rempel engaged in further manipulations of asset ownership and control and fraudulent transactions (largely but not exclusively in different ways) which were calculated to immunise assets from attempts to recover the debt including the execution of the judgments which Lake Holding obtained. Investigations have shown that Mr. Belyak and Mr. Rempel each kept the control of their Russian real estate assets outside Russia through, inter alia, companies in the BVI and Cyprus. Separately, it seems that Mr. Rempel has used at least two companies based in each of Belize and the Seychelles. They also hid assets outside Russia, in France, Monaco and the USA and lied about having such assets, and even about the offshore control of their Russian assets (through structures in the BVI and Cyprus), when questioned by the RFBS. (See Benaour Fraud Decl. generally, Melnichenko MTD Decl., ¶¶ 58 to 64 (**Exh. 1**) and paragraphs 14 to 16 below.) It is clear that the ownership structures including those referred to in the following paragraph require further detailed analysis, whether in the Cyprus, French and Monegasque proceedings referred to or in other proceedings which may arise out of the discovery sought herein.

10. Following the defaults in September 2014 there were discussions with various people, including Mr. Belyak and Mr. Rempel, of alternative ways to address the economic problems facing them and BTR. I attach as **Exhibit 5** hereto an organisational chart which was provided to me by Mr. Belyak and Mr. Rempel in the Fall of 2015, together with other pages to which I refer. The pages are as follows:

Page 1: This is the main chart showing holding structures sitting above real estate in Russia – the handwriting consists of my notes and my additions reflecting changes notified to me up to around the first

quarter of 2018, with English translations by my personal assistant, Yuliya Mosiyenko (“**Ms Mosiyenko**”).

Page 2: The same chart with just the handwritten English translations of the notes on page 1 made by Ms Mosiyenko.

Pages 3 to 4: Additional information has been added by Lake Holding’s international legal team relating to the ownership structure above Mytisch-Plaza-Development, including Carmen.

Pages 5 to 6: The text, in English and Russian, of the contents of the uppermost and lowest boxes shown on pages 1 to 4.

Pages 7 to 8: Typed fair copies and Ms. Mosiyenko’s handwritten translations of my notes at the top lefthand corner of the reverse of page 1 which are based on the information in the chart and what Mr. Belyak and Mr. Rempel told me.

11. Working from the bottom of pages 1 to 4 in **Exh. 5**, the first level of companies are Russian and, above those, there are Cypriot, BVI and Belize companies. At the top level there are references to individuals. There are direct references to Mr. Belyak and Mr. Rempel, as well as to Dmitry Kim (“**Kim**”) (an associate of Mr. Rempel), Artem Eranov and Grigory Kochergin (“**Eranov**” and “**Kochergin**” – Mr. Belyak’s nephews) and Yulia Rempel (“**Yulia**” – Mr. Rempel’s wife) all of whom, Lake Holding asserts, are or have been nominees for the two principals.

12. The importance of **Exh. 5** is that it shows Mr. Belyak and Mr. Rempel operating on a truly worldwide basis, using nominees and “fronts”. However, whilst they cooperated in their business activities, each seems to have had separate holding structures to facilitate their participation and ultimate separate ownership. This is evident from the charts and the other information with them in **Exh. 5**. The structures need to be unravelled in order to enforce the

Russian, Florida and Cyprus judgments and any further judgments or orders which Lake Holding may obtain.

13. Mr. Belyak has lied to or failed to comply with the requirements of the RFBS on many occasions and has actively tried to mislead the RFBS in relation to the true extent and location of his and his family's assets. In particular Mr. Belyak has lied to the RFBS about the extent of his assets and has denied having any assets outside the Russian Federation. He has made no reference to his Monaco or US assets, including Rolls-Royce motor cars in each jurisdiction. *Compare* to the Benaour Fraud Decl. generally. He also made untruthful statements about his wife's and daughter's assets, including their interests in offshore companies in the BVI and Cyprus. I hereto attach as **Exhibit 6** a copy of Mr. Belyak's signed statement dated September 26, 2019 together with a copy of the RFBS' letter dated September 19, 2019 reporting on further untruthful statements made by him in 2018, with their English translations³.

14. Mr. Rempel was also interviewed by and lied to the RFBS – this is apparent from the copy of his signed statement attached as **Exhibit 7**⁴.

15. With regard to BTR, on October 14, 2019 the RFBS interviewed Pavel Barovinskiy (“**Mr. Barovinskiy**”), director of the company from January 1, 2012 to June 26, 2017. His replies are written in the minutes of the interview a copy of which is attached with its English translation as **Exhibit 8** and included remarks which were very strange coming from a director given that he was supposed to have knowledge of the affairs of BTR⁵. Lake Holding maintains that his answers were lies.

16. Following the commencement of the three Cyprus cases and the grant of the *ex parte* interim orders on March 27 and 30, 2020, Lake Holding filed *ex parte* applications in the

³ See Melnichenko MTD Decl. ¶¶ 58 to 62.

⁴ See Melnichenko MTD Decl. ¶ 63.

⁵ See also Melnichenko MTD Decl. ¶ 64.

BVI, Canada and Belize seeking disclosure and limited “gagging” orders against a number of the local service providers for various BVI and Belize companies which Lake Holding believes to be or to have been owned and controlled by Mr. Belyak and/or Mr. Rempel. All three applications were granted quickly, and the service providers gave disclosure of the documents sought promptly in accordance with the orders for disclosure. *See* Benaur MTD Decl. ¶¶ 21 to 26 (**Exh. C** to the Benaur Decl.).

17. It can therefore be seen that the “discovery” and recovery efforts which Lake Holding must make in order to recover the sums due to it span from Russia (where no further proceedings appear to be needed – save to recover interest on top of the final and enforceable judgments which it already has) to France, Monaco, the United States, Cyprus, Canada, the BVI and Belize.

18. I add that Switzerland and Monaco (and possibly the Seychelles) must be added to the global list but these are dealt with further below.

19. The affairs of Mr. Belyak and Mr. Rempel (conducted through their companies, relatives and associates) are truly global. This is evident from, inter alia, the dealings concerning, for example, the sale to me by Stretkato Trading Limited (“**Stretkato**”) (Cyprus) of a one third interest in Baltia Mall in 2010 (*see* Melnichenko MTD Decl. ¶¶ 15 to 22 – **Exh. 1** hereto) and from the affairs of Carmen Management Limited (“**Carmen**”), Terton Alliance Limited (“**Terton**”), Kendalmac Services Limited (“**Kendalmac**”) (both of the BVI) and the other companies concerned in the movement of the shares in the Russian company Prosperity LLC (“**Prosperity**”) (Russia) involving companies and professional service providers in the BVI and Cyprus, as well, in some cases, the involvement of the ubiquitous and “forgetful” Mr. Barovinskiy. *See* Benaur MTD Decl. ¶¶ 36 to 46 – **Exh. C** to the Benaur Decl.).

20. In order to be able to execute on the Russian real estate and other assets (and money) which doubtless exist outside Russia, Lake Holding must trace the various assets and funds of

(a) the many entities located outside Russia and (b) the relatives and associates who own and control entities and assets outside Russia and/or overseas structures which own and control assets within Russia or outside. Lake Holding must penetrate the labyrinthine international structures and seek to unravel transactions, many of which have manipulated patterns of ownership to make asset-tracing by creditors such as Lake Holding more difficult. There are many companies, active and apparently inactive, which are located outside Russia. Even the affairs of the apparently inactive companies need to be investigated in order to trace assets of all types – not limited to Russian real estate sitting at the bottom of the ownership chains shown in **Exh. 5**.

21. This is not a simple judgment enforcement exercise; the relevant courts will have to make judicial determinations as to the true ownership of assets (including money) and proceedings will have to be brought against not only BTR, Mr. Belyak and Mr. Rempel but also against physical persons and entities which Lake Holding believes hold assets and funds in accordance with the *modus operandi* signalled in the February 2010 agreement referred to in paragraph 9 above. It is these proceedings against “third parties” that will be crucial to Lake Holding being able to execute the judgments and recover what is rightly owed to it. This last sentence is reinforced by the contents of the Benauro Fraud Decl.

22. I wish to make clear that Lake Holding will not seek to use its multiple recovery proceedings to recover a multiple of the true liabilities. Lake Holding has to combat the failure of BTR, Mr. Belyak and Mr. Rempel to discharge their liabilities and to erect obstacles at every turn. It will pursue as many recovery efforts as are required but it will limit its total recoveries to the amounts of the judgments together with other sums properly due⁶.

⁶ Lake Holding has been awarded interest against BTR. The order for the payment of statutory interest of \$6,429,045.48, plus further interest to the date of payment, was made by the Moscow Region Arbitration Court on March 3, 2020. BTR mounted two unsuccessful appeals in which the

23. I next turn to the evidence of entities and physical persons having accounts and/or banking connections with various banks outside the United States.

24. BTR holds at least one account at UBS in Zurich and it was to this account that Lake Holding paid the loan advances under the loan agreements. I attach as **Exhibit 9**, copies of the front pages of the loan documents and the pages in the documents showing BTR's account details at UBS in Zurich, Switzerland; the relevant pages of the first loan agreement are in English and Russian whereas the remainder are in Russian. Before the loans and guarantees went into default, and in respect of sporadic payments thereafter, payments by BTR appear to have been made to Lake Holding from the UBS account. Lake Holding needs to see what use BTR has made of the loan advances (and any other accounts apparent from the statements), especially in connection with Mr. Belyak and Mr. Rempel and the numerous entities and physical persons connected with them.

25. Payments have been made to Lake Holding on behalf of BTR by Pacato Limited ("**Pacato**"), a Cyprus company shown in **Exh. 5**, which holds or held an account at Lombard Odier Darier Hentsch & Cie of Geneva (aka Banque Lombard Odier & Cie AG) ("**Lombard**"). Lombard also held an account for Stretkato Trading Limited ("**Stretkato**") to which I paid the purchase price for 33% of Baltia Mall LLC in August 2010⁷. The total of the Pacato payments was \$4,088,218.68 as shown on the extract from Lake Holding's statements from Credit Suisse attached as **Exhibit 10**. This exhibit shows further payments from, as yet, unidentified payers holding accounts at CIM Banque SA (Switzerland) ("**CIM**") and Kookmin Bank (Korea) ("**Kookmin**").

courts ruled for Lake Holding on June 30, 2020 and November 18, 2020. A further appeal to the Supreme Court is theoretically possible if made within 2 months. The award of interest brings BTR's liability to over \$50 million. Lake Holding may seek awards of statutory interest against Mr Belyak and Mr Rempel and their liabilities will also rise substantially.

⁷ See also Melnichenko MTD Decl., ¶¶ 15 to 24 and ¶ 28 below as it relates to Stretkato.

26. Several of the companies whose papers Lake Holding has accessed by the orders made in the BVI, Canada and Belize show (a) the strong US Dollar connections and (b) the existence of accounts at UBS and Credit Suisse and, in one case, at SG Private Banking (Monaco) (an arm of the French bank, Societe Generale). Other documents (see above) have revealed accounts at Lombard for Pacato and Stretkato and accounts at CIM and Kookmin for, as yet, unidentified parties.

27. A selection of the supporting papers for these matters are in the attached **Exhibit 11** – I also rely on the information in **Exh. 5**. The entities and physical persons and the actual or almost certain bank connections and/or accounts are seen at the page numbers cited below and I also make further reference later to the likelihood of physical persons having accounts at the banks where their “related” companies have them.

Pages 1 to 13: **Antrim Partners Inc (“Antrim”) (Seychelles)** – active – the original director and shareholder was Tamara Nikulina (**“Tamara”**) – Tamara transferred her shares in Belleview (*see below*) in June 2019 – the ultimate beneficial ownership (**“UBO”**) rights were transferred to Garri in July 2019 but the shares were transferred to Cyprus service providers who declared a trust of the shares in favour of Larisa in August 2019 – Larisa has known connections with Credit Suisse so Antrim is very likely to have an account there, although UBS should not be discounted in view of the choice of Mr. Belyak and Mr. Rempel of UBS for BTR. There are copies of documents at the pages indicated in the brief chronology:

- a resolution dated July 12, 2012 for the issue of 100,000 \$1 shares and the related share certificate (**pages 1 - 2**)

- Tamara's declaration of UBO dated May 1, 2018 and her source of funds statement showing wealth of \$100,000 in an unnamed bank account (**pages 3 - 5**)
- share certificate dated June 21, 2019 in the name of Belleview United Corp ("**Belleview**") (BVI) (**page 6**)
- transfer of ultimate beneficial ownership to Garri and notice dated June 21, 2019 as well as a source of funds statement dated July 25, 2019, showing \$500,000 for each of 2018 and 2019 without a bank being named (**pages 7 - 10**)
- declaration of trust of the shares in favour of Larisa Rempel ("**Larisa**") (Mr Rempel's mother) dated August 14, 2019 and her source of funds statement showing \$1 million in Credit Suisse (**pages 11 - 13**)

Pages 14 to 27: **Belleview (BVI)** – active – Lake Holding believes this US Dollar denominated company to be and have been owned and controlled by Mr. Rempel (through his wife, Yulia (nee Shvartsman), and Garri, his father). There is reference to it having an account in Switzerland – likely to be at Credit Suisse or UBS and possibly at both – the evidence points to Mr. Rempel and his mother, Larisa Rempel ("**Larisa**") having connections with Credit Suisse but BTR is owned by Mr. Belyak and Mr. Rempel and it has an account at UBS. There are copies of documents at the pages indicated:

- US Dollar based company incorporated in 2002
- Merrill Lynch International and UBS financing involving Belleview, Pelotas and WIFL – *see* paragraph 29 below

- Certificate of Incumbency dated May 26, 2016 shows Yulia as shareholder (**page 14**)
- Share certificate dated February 2, 2017 issued for 50,000 \$1 shares in favour of Garri as sole shareholder after transfer to him, together with Register of Members and Transfer of UBO (**pages 15 - 18**)
- Source of funds statement for Garri dated February 6, 2017 showing \$500,000 (**pages 19 - 20**)
- Client information sheet dated May 30, 2019 signed by Garri showing Bellevue's Swiss bank connection and source of funds of \$500,000 for each of 2018 and 2019 (**pages 21 to 27**)

Pages 28 to 34: **Bervist Enterprises Limited (Belize) ("Bervist")** – active – this company is also believed to be owned and controlled by Mr. Rempel – there is no express reference to a banking connection for Bervist but such a connection could be with Credit Suisse or UBS, or even both. There are copies of documents at the pages indicated in the brief chronology:

- 50,000 \$1 shares issued to Mr. Rempel on October 16, 2013 (**pages 28 - 30**)
- Garri is shown as sole shareholder on November 1, 2016 (**pages 31 - 33**)
- Bervist is current at September 14, 2020] (**page 34**)

Pages 35 to 47: **Carmen (BVI)**⁸ – active – there is express reference to this company having been owned by Mr. Belyak and Margarita but she now supposedly owns it alone, keeps the records at her Monaco apartment and is assisted by Mr. Barovinskiy, whose address is also stated to be at her Monaco apartment (this is obviously not his address). There is also express reference to Carmen having an account at UBS on which there was a balance of \$500,000 in November 2019. See Benaour MTD Decl., ¶ 41. There are copies of documents at the pages indicated in the brief chronology:

- Register of Members dated September 2, 2019 showing that Mr. Belyak was a joint shareholder until December 30, 2015, that he transferred his shares to Anastasia and that she transferred hers to Margarita who is now sole shareholder **(pages 35 - 36)**
- Information form signed by Margarita on September 17, 2019, showing \$500,000 supposedly held at UBS, seemingly the Belyaks' preferred Swiss bank **(pages 37 - 47)**

Pages 48 to 51: **Clevedon Management Limited ("Clevedon") (BVI)**⁹ – inactive – Mr. Rempel was originally the shareholder then transferred his holding to Larisa in July 2009 – Larisa is known to have connections with Credit Suisse so Clevedon could have had an account with that bank. There are copies of documents indicated below:

⁸ See Benaour MTD Decl. ¶¶ 40 to 41.

⁹ See Melnichenko MTD Decl., ¶¶ 17 to 22. Clevedon was a shareholder in Sargent Alliance Limited (BVI).

- Incorporated in 2007 and shares of no par value were issued to Mr. Rempel which he transferred to Larisa on July 3, 2009
(pages 48 - 51)

See re

Kendalmac below: **Eneroc Enterprises Limited and Ipirex Capital Limited (“Eneroc” and “Ipirex”)** (Cyprus) – still shown as active and owned by Anastasia and Garri respectively – they were involved in the fiasco concerning the shares in Prosperity. *See* the information regarding Kendalmac below.

Pages 52 to 73: **Kendalmac (BVI)** – inactive – the papers show that it was resolved in July 2009 that Dmitry should open an account for the company at SG Private Banking (Monaco) – an arm of Societe Generale. The agreement reached between me and Mr Belyak and Mr Rempel on February 18, 2010 called for payments to be made to this company through a UBS account. There are copies of documents at the pages indicated:

- February 18, 2010 agreement (English translation¹⁰) showing the UBS account with the SWIFT / BIC code, the required sum in clause 2.1.1 is denominated in US Dollars (pages 52 - 56)
- Share certificates dated March 10, 2011 for 50% holdings by Kim and Artego Holdings Limited (“Artego”) (BVI – owned by Kochergin) – they each held 25,000 \$1 shares – together with the resulting Register of Members (pages 57 - 59)

¹⁰ The Russian version is available if required.

- Kendalmac was involved in the fiasco concerning the shares in Prosperity LLC, 25% of which should have been pledged to Lake Holding in February 2018 in performance of the settlement reached in April 2017. Lake Holding does not seek to enforce the settlement agreement or to sue for damages but it wishes to levy execution on the shareholding in Prosperity which is owned and controlled by Mr Belyak and Mr Rempel¹¹
- On January 11 2016, Kendalmac transferred its shares in Prosperity LLC to Eneroc and Ipirex and, on May 23, 2017, they transferred their shares in Prosperity to Callison Developments Limited and Rayvin Enterprises Limited (“**Callison**” and “**Rayvin**”) (both BVI and US Dollar based for nominal consideration of RUB 5,000 each (about \$65) (**pages 60 - 69**)
- Callison and Rayvin having been placed into liquidation only a few months after Anastasia and Garri became shareholders, on December 8, 2017, the Deloitte BVI liquidators of the companies authorised the transfer of various shares to Anastasia and Garri (including the 50% of the shares in Prosperity to each) for the stated value of \$42,432,939 for each 50% holding (giving an overall value of over \$84 million – much more than \$65 x 2 = \$130!) – these transactions require further detailed study (**pages 70 - 73**)

¹¹ See generally Benaur MTD Decl., ¶¶ 43 to 46.

Pages 74 to 83: **Omega Trading Group Corp (“Omega”) (Belize)** – active – Kim (associate of Rempel) was the original shareholder – Omega appears to have held (or hold) a luxurious yacht – Larisa seems to be the UBO – her wealth is stated to have come from a cleaning company and she holds \$1 million in savings at Credit Suisse – the origin of those and other funds may well be Mr. Rempel as it seems that both Garri and Larisa have acted / are acting on behalf of their son. There are copies of the following documents at the pages indicated:

- Source of funds statement for Kim dated July 20, 2018 showing \$60,000 (**pages 74 - 75**)
- Transfer of 50,000 \$1 shares from Kim to Bellevue, with Garri as UBO dated June 21, 2019 (**pages 76 - 80**)
- Larisa becomes UBO on August 14 2019, through a Cyprus trust agreement (**pages 81**)
- Larisa’s source of funds statement dated August 2019 showing \$1 million at Credit Suisse (**pages 82 - 83**)

Linked to

Kendalmac etc: **Opcan Limited and Subgreen Operations Limited (“Opcan” and “Subgreen”)** (Cyprus) two companies owned by Anastasia and Garri respectively which were involved in the fiasco concerning the shares in Prosperity. *See* Benaour MTD Decl., ¶ 43 to 46 at **Exh C** to Benaour Decl.

Linked to

Stretkato: **Sargent Alliance Limited (“Sargent”) (BVI)** – inactive – this company was 50% owner of Stretkato, to which I paid the

consideration for the purchase of 33% of Baltia Mall. As appears from ¶¶ 19 to 22 of the Melnichenko MTD Decl., Exh 1 hereto, there are links from Stretkato through Clevedon and Sargent to Mr. Belyak and Mr. Rempel directly and/or by virtue of relatives.

Pages 84 to 91: Sharleen Global Intertrade Inc (“Sharleen”) (BVI) – inactive – this was the company through which Mr. Rempel and later Garri supposedly owned 50% of BTR between June 2007 and March 2017 – on February 16, 2017 Mr. Barovinskiy assisted Garri (who was then fronting for his son) in completing the Information Form for Trident Trust of the BVI and page 9 shows that Sharleen had an account at UBS. *See:*

- Copy extracts¹² from Information Form dated February 16, 2017 (**pages 84 - 91**)

Pages 92 to 99: Stretkato – inactive – its owners were Clevedon and Sargent – *see* ¶¶ 19 to 22 of the Melnichenko MTD Decl., Exh 1 hereto. This company was the vendor to me of 33% of Baltia Mall (referred to in paragraph 26 above) and it maintained an account at Lombard to which the purchase price (in US Dollars) was paid – *see* the sale and purchase agreement (English only¹³) (**pages 92 - 99**).

Pages 100 to 106: Terton (BVI) – inactive – this was the vehicle through which Mr. Belyak (and later Anastasia on his behalf held 50% of BTR between June 2007 and March 2017 – given BTR’s the Belyaks’ connections to UBS, it is highly likely that Terton maintained accounts at UBS as a

¹² Full version available if required.

¹³ The Russian version is available if required.

certificate of incumbency was sent there in May 2007 – although, given Mr. Rempel’s direct and indirect connections with Credit Suisse that bank should also be investigated. There are copies of the following documents at the pages indicated:

- Letter from Commonwealth Trust (BVI) to UBS Zurich dated May 29, 2007 sending a Certificate of Incumbency (**pages 100 - 101**)
- Certificate of Incumbency dated August 27, 2012 denominated in US Dollars showing Mr. Belyak as shareholder (**page 102**)
- Transfer of shares and ultimate beneficial ownership from Mr. Belyak to Anastasia dated December 30, 2015 and the resulting Register of Members (**pages 103 - 106**)

Pages 107 to 120: Watson Invest & Finance Limited (“WIFL”) (BVI) – inactive – this company is shown on page 1 of **Exh 5** hereto as being owned 100% by Carmen – as appears above, Carmen was owned by Mr. Belyak and Margarita and is now supposedly owned by Margarita – given that Carmen has an account with UBS it is likely that WIFL has had one also. The Information form shows Dmitry Markin as director and Vladislav Romanov (at BTR) as the “Master Client”. Loans of \$110 million from Merrill Lynch Capital Corporation and Societe Generale are also shown. The ownership of WIFL was split between Carmen and Belleview, the latter company then transferred its shares to Bervist in March 2015. *See* pages 3 and 4 of **Exh. 5** hereto. Its shares are denominated in US Dollars. There are copies of documents at the pages indicated:

- Information Form dated December 10, 2010 showing Mr Belyak as the beneficial owner and that the company's assets were \$110 million in loans (from the lenders indicated above) **(pages 107 - 118)**
- Register of Members dated March 1, 2015 showing the movement in shareholdings – all denominated in US Dollars **(pages 119 - 120)**

28. The papers obtained in relation to Belleview, WIFL (both BVI) and Pelotas Services Limited (the third of Cyprus) ("**Pelotas**") show that in 2007 there were financing arrangements involving, *inter alia*, Merrill Lynch International and UBS. Copies of the relevant entries in the BVI companies registry in respect of Belleview and WIFL (which also mention Pelotas) are attached as **Exhibit 12**. The Information Form at pages 107 to 118 of Exhibit 11 also shows financing by Merrill Lynch Capital Corporation and Societe Generale. Access to the banking documents is important to establish, *inter alia*, the nature and extent of assets acquired and what has happened to them.

29. The chart in **Exh. 5** shows various lines of lending and Lake Holding believes that PJSC Sberbank ("**Sberbank**") has advanced funds to companies owned and controlled by Mr. Belyak and Mr. Rempel. Sberbank lent \$146 million to Mytisch Plaza LLC which was lent on to Kendal Mac (BVI), Pacato (Cyprus), Prosperity LLC (Russia) and Baltia Mall LLC (Russia). Lake Holding seeks to investigate the redirection of the borrowing from Sberbank to the other companies, all of which have connections to the dealings between Mr Belyak's and Mr Rempel's companies and Lake Holding.

30. Disclosure of the papers relating to the financing referred to in paragraphs 29 and 30 above, including details of the account destinations to which the funds were sent, will provide an important source of information to carry out the tracing exercises referred to above, i.e. the

further identification of funds, accounts and assets. I repeat that what Lake Holding has to do is not a simple judgment enforcement exercise. It will very likely need to trace assets into the hands of “independent” third parties and, if the history of dealings with Mr Belyak and Mr Rempel is an accurate guide, it will almost certainly have to litigate the true ownership of the assets and funds. I refer again to the extent of the dishonesty disclosed in the Benaour Fraud Decl.

31. To date, Lake Holding has not pursued any claims in the United States against BTR or Igor Rempel or any of the other Defendants cited above due to lack of sufficient evidence, at present, to successfully establish personal jurisdiction, thereby, in part, necessitating this application. In saying this, I do not waive Lake Holding’s right to pursue such further claims in the United States as it is advised are appropriate.

32. In addition to the companies referred to above, it is important to investigate the financial dealings of Elianos Holdings Limited (“**Elianos**”) (shown in **Exh. 5** as holding the majority of Mytischki Plaza). Researches have shown that the entire share capital in Mytischki Plaza has been transferred to Moonsky Limited (“**Moonsky**”), which is owned by Garri and Eranov, so that Mytischki Plaza is no longer owned 100%, directly and indirectly, by BTR. In view of this manipulation, researches also need to be carried out to locate bank accounts outside Russia (especially in Switzerland) of the real estate holding companies Prosperity, Mytischki Plaza, Mytischki Plaza Development LLC, Krasnogorsk Development LLC – all shown at the foot of the charts in **Exh 5**.

33. In the light of the foregoing, Lake Holding seeks discovery from the banks identified in this Application in respect of information and documents for the following entities and physical persons:

BTR, Antrim, Belleview, Bervist, Carmen, Clevedon, Kendalmac, Omega, Pelotas, Sharleen, Stretkato, Terton, WIFL

Artego Holdings Limited, Callison Developments Limited, Rayvin Enterprises

Limited, Elianos, Moonsky, Pacato, Opcan, Subgreen, Eneroc, Ipirex

Mr. Belyak, Mr. Rempel, Anastasia, Margarita, Garri, Larisa, Yulia, Eranov, Kim,

Kochergin, Tamara

Prosperity, Mytisch Plaza, Mytisch Plaza Development LLC, Krasnogorsk


Development LLC

I declare under penalty of perjury that the foregoing is true and correct.

Dated: December 1, 2020

Monaco

Respectfully Submitted,



Vladimir Vasilyevich Melnichenko